



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Department of Environmental Quality

Amanda Smith
Executive Director

DIVISION OF DRINKING WATER
Kenneth H. Bousfield, P.E.
Director

Drinking Water Board

Paul Hansen, P.E., *Chair*
Ken Bassett, *Vice-Chair*
Terry Beebe
Russell Donoghue
Daniel Fleming
Tage Flint
Heather Jackson
Betty Naylor
Amanda Smith
David Stevens, Ph.D.
James Webb
Kenneth H. Bousfield, P.E.
Executive Secretary

MINUTES OF THE DRINKING WATER BOARD MEETING HELD ON JANUARY 11, 2013 IN SALT LAKE CITY, UTAH

Board Members Present

Paul Hansen, Chairman
Ken Bassett, Vice Chair
Terry Beebe
Russell Donoghue
Tage Flint
Heather Jackson
David Stevens
James Webb

Board Members Excused

Danny Fleming
Betty Naylor
Amanda Smith

Staff

Ken Bousfield
Michael Grange
Ying-Ying Macauley
Heather Bobb
Linda Matulich
Misty Tabor

Guests

Scott Wilson, Duchesne County WCD
Ted Mickelsen, Psomas
Jonathan Bowers, Psomas
Clyde Watkins, RWAU
Alan Westenkow, Zion's Bank
Darrin LeFevre, Toquerville City
Karl Rasmussen, ProValue Engineering
Ty Bringhurst, Toquerville City
Regan Bolli, Ephraim City
Dave Norman, Eagle Mountain City
Laura Lockhart, Attorney General's Office
Dale Pierson, RWAU
Curtis Ludvigson, RWAU

Staff Continued

Gary Kobzeff
Julie Cobleigh
Bob Hart
Tammy North
Kate Johnson
Sandy Pett
Rich Peterson

ITEM NO. 1- CALL TO ORDER

The Drinking Water Board convened at 1:00 p.m. in Salt Lake City, Utah with
Chairman Paul Hansen presiding.

ITEM NO. 2 - ROLL CALL

Chairman Paul Hansen asked Ken Bousfield to call roll of the Drinking Water Board members. The roll call showed that there were 8 members present.

ITEM NO. 3 - INTRODUCTIONS

Chairman Paul Hansen welcomed the guests, and asked them to introduce themselves.

ITEM NO. 4 - APPROVAL OF MINUTES

Chairman Paul Hansen Stated a motion was in order to approve the Drinking Water Board Minutes for meeting held on November 9, 2012.

Russell Donoghue made a correction to page 5 the date located at the bottom in reference to Shiloah Wells De-authorization be changed to reflect October 3, 2012 rather than October 3, 2023. Page 6 last paragraphs, second sentence; be changed to reflect "Ken went" rather than "Ken When".

Chairman Paul Hansen moved the Drinking Water Board approve the minutes from November 9, 2012, with the corrections stated above made, motion made by Russell Donoghue, seconded by David Stevens.

**CARRIED
(Unanimous)**

ITEM NO. 5 - FINANCIAL ASSISTANCE COMMITTEE REPORT

1) Status Report- Michael Grange

Michael Grange reported the SRF Program status report has been updated from November to December. EPA news, concerning the 2013 Capitalization Grant, Staff received a letter from the director of office of Ground Water and Drinking Water at EPA Headquarters dated December 20, 2012, which stated we are operating under a continuing resolution that extends Federal Government operations through the end of March, 2013. As of the date of this continuing resolution our Funding level is \$4,252,730 roughly half of what we are accustomed to receiving for the Capitalization Grant, with a possibility to increase in March or with a possibility it won't, depending on how things go at the Congressional level. Staff will be extremely careful with financial assistance requests brought to the Board for authorization especially with respect to principal forgiveness money from the Federal Program.

Overview of State Loan Funds, currently there are \$2.8 million in the Fund. There is one project being presented today which is being funded through the State Program. The emergency project being presented today is also proposed to be funded through the State Program and is only about \$22,000. Over the course of the next 12 months the Division of

Drinking Water (DDW) is expecting to receive another \$9 million, so by January 1, 2014 we are expecting roughly \$12.3 million in the State Fund that can be used for political subdivisions of the State as they come to the Board for financial assistance. Reviewed handout discussing loans and their progress.

The fourth page of the status report is a summary of the Federal SRF program, which currently has about \$3.4 million in the fund. Through January, 2014 we are hoping to have the \$20 million; however, if the Capitalization Grant does come in at less than what we are expecting that will change, as of now the figure will read \$16 million instead of \$20 million. There are a number of authorized projects and Staff is working with the Applicants to complete the loan closing process. Other pages of the handout show a detailed summary of page 4.

There have been two authorized new planning advances 1) Garden City for a master plan, rate review, and water conservation and management plan. 2) Gunnison City received a planning loan some time ago and the City is now applying for some construction funding. Also, during their master plan and investigations they identified an arsenic problem. The City has requested some planning money to come up with the best way to resolve the arsenic issue. Staff authorized a \$40,000 planning advance to Gunnison City to study ways to resolve the arsenic issue.

Since the November Board Meeting staff has closed out a number of projects and their files will be archived: 1) LaVerkin City, 2) Twin Oaks Local District, 3) Cedarview Montwell SSD Planning, money was fully spent, 4) Draper City, 5) Austin Special Service District, and 6) Greenwich Water Association transmission line project. Construction has been complete for all the above mentioned projects.

2) Project Priority List - Julie Cobleigh

Two projects are being added to the priority list:

Toquerville City with 33.3 points. This project includes replacing water lines, installing fire hydrants and constructing two pressure reducing stations.

Eagle Mountain with 13.3 points. This project includes a pump station and a transmission line.

The Financial Assistance Committee recommends the Board approve the updated priority list.

Ken Bassett requested a motion re regarding the priority list, James Webb moved the Drinking Water Board approve the updated priority list, seconded by Chairman Paul Hansen.

**CARRIED
(Unanimous)**

3) Applications

State Funds

a) Toquerville City - Julie Cobleigh

Requesting \$2.2 million to replace 23,000 feet of old leaking waterlines install 36 fire hydrants, water meters and construct two pressure reducing stations. The total cost of the project is estimated to be \$2,320,000 the City will contribute \$120,000 towards the project.

The local MAGI is \$32,254, which is approximately 87% of the States MAGI. Their current average water bill is \$37.76/month per ERC, which includes an \$8.67/month per ERC irrigation bill. A full loan of \$2,200,000 with an interest rate of 1.55% for 20 years yields an average monthly water bill of approximately \$68 per connection, which is 2.53% of the local MAGI. Based on this information, Toquerville City qualifies to be considered for additional subsidization.

Committee recommendations: The Board authorizes \$2.2 million for a construction loan to Toquerville City at 0% interest for 30 years with \$440,000 in principal forgiveness. This gives a water bill of \$50/monthly which is 1.86% of the local MAGI which raises the monthly water bill by about \$12.

Toquerville City representatives thanked the Board for their consideration.

Comments from the Board: Because it is State Funds, the level and availability of federal grant is not affected. A clarification made that this is for a drinking water system only, doesn't include irrigation projects.

Ken Bassett requested a motion regarding the project, Heather Jackson moved that the Drinking Water Board authorize the proposed loan, seconded by Chairman Paul Hansen.

**CARRIED
(Unanimous)**

Federal Funds

b) Eagle Mountain- Rich Peterson

Heather Jackson recused herself due to her involvement with Eagle Mountain.

Project consists of a new pump station and 2.5 miles of 24-inch transmission line connecting to Central Utah Water District in Saratoga Springs. The cost of the project is estimated at \$5,647,483, the applicant plans to contribute \$1,000,000 toward the project, they scored 13.3 points on the project priority list.

The local MAGI for Eagle Mountain City is \$48,527, which is 132% of the State MAGI. Their after project water bill is less than 1.75% of local MAGI, therefore they do not qualify for principal forgiveness. The City is currently considering a 15 and 10 year term, which qualifies them for a reduced interest rate. A graduated repayment schedule has been established to help with the first few years of payments. Their current water bill is estimated to be \$39.65.

Committee recommendations: The Board authorizes a \$4,648,000 loan at 1.72% interest for 20 years with the proposed graduated repayment schedule to Eagle Mountain City. Currently there are no issues on their compliance report.

Comments from Eagle Mountain City Representative: All water sources are ground water sources we have wells that operate and feed the system for the City. There are times when wells go down; currently there is one well down we are determining if it is feasible to clean it and bring it up into operations that means we have one source down. Two other wells went down either due to mechanical or electrical failures we had to put in place some voluntary restrictions which allowed us to get through getting those back up. We are looking at Central Utah Water District bringing in their new source of water to add a second reliable source to our system. These funds are needed to design and construct a system to connect to the Central Utah Water District System. Mayor Jackson thanked the Board for considering their application.

Board Comments: Clarification from the Board the Central Utah Water District is mostly ground water coming from the Geneva rights. The Board asked about the schedule to have the water available. Eagle Mountain representatives responded that is is expected by July 2014 and their intent is to have all facilities in place prior to that. The Board also asked how CUWD is progressing on their time frame? Eagle Mountain representatives responded that progress is very good, the source looks to be there when needed.

Ken Bassett requested a motion regarding the project, Russell Donoghue moved that the Drinking Water Board authorize the proposed loan, seconded by David Stevens.

CARRIED

**Heather Jackson abstained.
Seven voted in favor.**

c) Duchesne County WCD Extension Request

November 9, 2012 the Drinking Water Board chose to delay the reauthorization of the Duchesne County Water Conservancy District (DCWCD) loan until Duchesne County had the status of the Funding from the CIB Board. Scott Wilson of DCWCD provided the status updates from the CIB. DCWCD had the opportunity to meet with CIB Board and they reminded DCWCD that this is a large application and has taken them time to work through it. There was really strong support for the project from CIB and they had some concerns that they directed DCWCD to deal with; CIB requested DCWCD provide more information with regards to the water contracts that will be in place. CIB is working through the application and waiting on DCWCD getting back to them. They are looking at the grant/loan ratio to make that work. CIB directed DCWCD with some study issues to take care of. The summary of the CIB decision is to put this project on their pending approval list.

Comments from Duchesne County Representatives: We are working on getting the information CIB needs to make a decision, we are getting after these water contracts, working with their agencies to determine Rules and to take it from tentative to an agreement. There are nine other agencies that this pipe line will take care of, be a reliable source for those nine agencies. This project satisfies and takes care of a lot of future drinking water and reliable source issues in Duchesne County. With regards to all the mining projects and uncertainty that those operations may or may not have water source projection it is an important project for Duchesne County.

Comments from the Board: What is the time frame to report back to the CIB with their requested data? Introduced Ted Mickelsen, from Psomas. Mr. Mickelsen responded; right now we are working with the participating customers the other water districts to work through the planning process. The CIB came up with 5 specific questions to report back with. DCWCD is working on answering those questions and preparing the plan and our goal is to report back to the CIB for their March meeting. Some of it will determine what decisions are made on the financial package. Plan is to work through that process to be back on their Board meeting in March. We will be working carefully with CIB staff and the DDW staff to make sure all the questions are answered as we go along. Ken Bassett clarified the objective for the Drinking Water Board; we need to reauthorize what we have already done. The concern we had was really dealing with the status of other Funding for this project. We discussed to a degree the rights of way; we concluded that when we close on our funding all of that has to be in place anyway. So it's really not an issue to be concerned about anymore. The issue to deal with before we reauthorize is the status of what the rest of the Funding is, we need a definite time on that Funding. Recommending the Board re- authorize project funding with the condition that in six months you come back with proof of the rest of the project funding. Because of the decrease in Federal funding we were looking at ways we could preserve some of the principal forgiveness, make an adjustment to the interest rate, which would then make the end user rate essentially the same thing. Originally the authorization was for \$1.6 million in principal forgiveness. What the financial assistance committee was talking about was reducing that to \$700,000 with 0% interest. The CIB is aware of all the proposed changes in Funding. Plan is to move the project forward very quickly; Duchesne County is ok with the changes to structure and the six month time frame given, also mentioned that the DDW staff has been great to work with.

Committee Recommendation: Reauthorization is for one year from January, 2013-January, 2014. The proposed loan is option 3, a \$3,300,000 construction loan at 0% interest for 30 years with the \$700,000 in principal forgiveness with the condition that Duchesne County Water Conservancy District come back to the Drinking Water Board in 6 months with proof of full project funding.

Ken Bassett requested a motion regarding the project, Heather Jackson moved that the Drinking Water Board authorize the proposed loan, seconded by David Stevens.

**CARRIED
(Unanimous)**

4) Other Business – Michael Grange

a) Ephraim City - Rich Peterson

Ephraim City has a project that involves drilling a new well, purchasing water rights from a private company and constructing a blending tank for their arsenic issues. The City needs to acquire interim financing from the private sector in the next 60 days for the purchase of the water rights. Once the change application has been completed for the water rights and location of the well determined (anticipated 12-18 months), they plan to proceed with construction of the well and tank. The City would like to refinance their interim financing and roll it into the construction loan. Cost estimates are \$850,000 to purchase the water rights (approximately \$5,000 per acre foot), \$750,000 for the new well, and \$200,000 for the blending tank, total equaling \$1,800,000.

The paragraph concerning UDOT water line and road has been taken off the table which is no longer being looked at due to time and other restraints. Rich wanted to bring this project to their attention and the recommendations made to be able to come back to the Board so the Board has an idea about the project and the concept of the project.

Committee Recommendations: The Board agree “in concept” with Ephraim City’s project to purchase water rights with interim financing from the private sector and then to come back to the Board for a construction loan to drill a new well, construct a blending tank and to refinance the water rights purchase (approximately \$1,800,000 in total funding). Any future authorization for a construction loan and/or refinancing is contingent on available Funds and specific conditions at the time.

Comments from Ephraim City Representative: Is it acceptable to ask the Drinking Water Board to accept our proposal to consolidate that bond or bonding for the well or any other project we come to you for in the next 1-3 years? Ken Bassett asked which time frame is feasible 1-2 years or closer to 3 years. Ephraim representative stated to be safe and realistic the time frame is closer to 1-3 years. Ken Bassett advised the circumstances may be different and Funding available may be different when the time comes to approve the refinance. Rich clarified that it is under State Funding, because of the water right

purchase, Ken also asked if the loans could be done separately water rights under State Funds, construction Federal Funds. Rich recommended keeping them together under State Funds with the potential to do them separate. Clarification was made that Funding the acquisition of water rights is not unique we have done that on other projects. So the concept of funding water rights is consistent to what the Rules allow. Ken Bassett's concern regarding approving in concept is it is ok however, when the concept comes forward and there are any changes in Funding or any other issues raised in the meantime the outcome may be different. Ephraim City clarified the first intent was to come to the DDW for Funding of the water rights, however due to interest rates we would have been able to get and also time constraints it seemed to make the most sense to go the private route and hopefully come back to the Board for the remainder of the project. Speaking with Rich they thought a good idea to come and present the concept to the Board, considering when they come back in 1-2-3 years depending on what the climate is what they get.

Comments from the Board: Boards preference would be to ask for approval at the time of the project, we like to fund wet water at the tap, opposed to something that may or may not happen you may have the water rights but no source. Ken Bassett clarified that the purpose of having the conceptual approval out before the project begins is it gives somewhat of a feeling of comfort to the requester that they have brought this to our attention so a year or two from now when they come to the Board it is reflected in the minutes they have brought it to our attention. Again, no promise or commitment from this Board that we can help you in 1- 3 years, but we appreciate the heads up. If a motion were to be made it would be made that we acknowledge your project and acknowledge how you maintained your water rights and that you are interested in coming back to the Board in 1- 3 years for future funding. Clarification, you are acquiring water rights that you can in turn change to ground water rights? Correct, the change applications have been submitted to the State. Suggestion by the Board to consider it may take a year to complete the change application consider this in the schedule, advised to watch for what the Legislature does to the change application processes this session the rules may be changed. Ken Bassett advised if they were to make a motion for the purpose of the minutes that Board just acknowledge what they are doing. Going out privately bonding for the water rights securing the water rights then in one to three-year your intent is to come back to this Board and seek funding based only of the availability of that funding the Board is looking at during that time. Applicant verified it is their intent is to ask the Board to agree to consolidate the private funding, the Board rather uses the word "consider" that this Board would consider the consolidation as part of the project. Without an application right now the Board can't agree to anything.

Ken Bassett moved to acknowledge this project in the terms we just discussed, with caution to formalize too much. The Board determined the best way to decide is to seek any opposition considering the discussions just held. Heather Jackson also warned that due to the Legislature changes the Board may be very different when they bring back the application. Michael reminded the Board that this situation is much like the Apple Valley project a few years back. The Board discussed the concept and with any opposition to the concept it was voiced no formal vote was made.

Ken Bassett asked for any opposition, for the consideration of Ephraim City to come back in a few years to seek funding, and consolidation of their water rights. No opposition was voiced or made from the Board.

b) Paunsaugunt Cliffs Special Service District – Michael Grange

Paunsaugunt Cliffs Special Service District is requesting up to \$22,000 in financial assistance to replace the pump motor, electrical panel, and wiring to their culinary water supply well. The equipment was damaged by an electrical surge in the Community. They will be upgrading to a variable frequency drive to improve the performance and efficiency of their well. Total project costs estimated to be \$22,038. The project came to Staff's attention after the financial assistance committee conference call therefore it hasn't been really discussed with the committee. , Their water system is rated approved and they appear to be well managed. The MAGI is reported at \$32,860 which is 89% of the State MAGI. The current average monthly water bill is \$62.76 per connection, which is 2.29% of local MAGI. Based on this information the SSD qualifies as a disadvantaged community and is eligible to be considered for additional subsidization. Discussed scenarios within the packet, and since the committee hasn't been able to discuss they don't have a specific recommendation to the Board. Michael Grange suggested that should the Board decide to offer some principal forgiveness or grant money they offer it all as principal forgiveness since it is limited to the \$22,000. This loan will be taken from the State Funds.

Comments from the Board: Ken Bassett clarified it is an emergency project that is why it is on the agenda as other business. Chairman Hansen, from an engineering clarification that the variable frequency drives are temperamental and expensive, encourages them to know what they need for the right reasons. Clarification needed on how giving them a 100% grant will increase their water bill? Michael Grange clarified they are not currently collecting enough as it is for what they have so that is what the analysis shows, a fee study is needed for them. Is anything going to be done during this construction to help with damages? Michael Grange clarified they can find out and they haven't yet seen real plans to this project. DDW will see all plans before they close on any Funding.

Chairman Paul Hansen moved to approve the 100% grant with a condition they review surge protection issues raised by Russell Donoghue particularly with the VFD in line. The reason for recommending a 100% grant is due to the low dollar value, the Board was concerned that it will cost more for staff to administer than to offset the cost, seconded David Stevens.

**CARRIED
(Unanimous)**

c) Ogden City – Michael Grange

A few months ago the Board authorized another \$5 million for Ogden City to continue phase 2 of their transmission line down Ogden canyon. In that application they made money for a tank at the top of the canyon to provide pressure and fire flow for the residents in the canyon after further study they determined there is no logical place to put a tank at the top of the canyon. They commissioned an engineering firm to work on their treatment plant on a separate part of the project as part of that work they have incorporated a way to make up for not having a tank by adding additional pipe line and valving. All changes will have to go through our Engineering Department for approval. They are asking the Board approve the change of scope since it is different from the originally approved loan. Ken Bassett prefers to leave these kinds of questions to the staff engineers, since they do have final approval. Clarification, by replacing or upsizing other pipes the benefits will be the same as using the tank, which was in the original plan. The cost estimate should be close to the same. The application changes the scope significantly enough that the Board will need to re approve the scope of work.

Ken Bassett requested a motion regarding the change in the scope of work as described, Russell Donoghue moved the Board authorize the proposed change in scope to the Ogden City project, seconded by David Stevens.

**CARRIED
(Unanimous)**

ITEM NO. 6 - RURAL WATER ASSOCIATION'S REPORT – DALE PIERSON

Dale invited Clyde Watkins and Ying-Ying Macauley to discuss some issues that arise throughout the Communities; they also stressed the importance of the DDW and Rural Water working together to resolve these issues.

Ying-Ying started by saying Dale invited me here to provide a testimonial about the ongoing effort between the DDW and Rural Water to work together. Ying-Ying used a story as an example to show to the Board the importance of having Rural Water as a partner. She went on to mention how some Counties have a great working relationship with the DDW and some do not. That it takes a change in the mindset of the Local Authority and it takes time to build up the trust and cooperative relationship between the State and Local Authority, and how in some situations the best approach is to ask Rural Water to approach these Counties from an outreach and educational perspective.

Clyde started by stressing how the ongoing changes in leadership throughout the Counties and Communities have greatly affected the working relationships between them and the State or Rural Water. How meeting with the different Counties and different people we try to involve other agencies because sometimes we don't know the local people or authority so it helps if you are able to find somebody within a third party to make an introduction.

Ken Bassett commented that since living in a Rural area himself he sees that Rural Water has an act for providing good training, and connecting with the Communities. He

also stressed that it is a great partnership between Rural Water, the Communities and the DDW. Chairman Paul Hansen thanked Clyde for the good work he does.

ITEM NO. 7 - AUTHORIZATION FOR THE FINAL ADOPTION OF R309-515-6(4)

Bob Hart, during the November Board Meeting we proposed a change in the subject Rule. The Board directed us to file the proposed changes in the Rule, it was filed and no comments were made. At this point, we will ask the Board to approve the changes to the Rule.

Chairman Paul Hansen moved to approve the Rule, motioned by Ken Bassett to adopt and make the Rule affective January 15, 2013, seconded by Heather Jackson.

**CARRIED
(Unanimous)**

ITEM NO. 8 - ELECTRONIC MEETING RULE – LAURA LOCKHART, ASSISTANT ATTORNEY GENERAL

In order to have electronic meetings in order to have people participate in a meeting by phone we have to have a Rule in place that sets a procedure for that. The Rule has been in place for 8 years and it is up for five year review, that 5 year review is mandated by the legislature that every 5 years all Rules are reviewed to ensure they are necessary to keep. It is a requirement under 52-4-207 (2)(a) of the Open and Public Meetings Act. As reviewing the Rule we did notice some non-substantive changes that need to be made, the changes include updating a number and a physical address. Proposing to the Board to approve the 5 year review and renewal of the non-substantive changes, which were made without any comments. Laura Lockhart recommended that putting “if needed an electronic meeting may be held, although it is not currently anticipated to be one” on our agendas may help to clear up any confusion. Heather Jackson Stated when we do meetings we advertise on the agenda meeting may be held telephonically.

Chairman Paul Hansen moved to approve the 5 year review and renewal of the Rule, motioned by Heather Jackson, seconded by Terry Beebe.

**CARRIED
(Unanimous)**

ITEM NO. 9 - FINAL 2013 DRINKING WATER BOARD MEETING SCHEDULE

Meetings are predominantly set for Fridays with exceptions to the two Rural Water Conferences. Changes need to be made to the meeting scheduled for August 29, 2013 in Layton for the Rural Water North Conference the meeting will be held Wednesday August 28, 2013.

Chairman Paul Hansen moved to approve the modified schedule to reflect August 28, 2013 rather than August 29, 2013, motion made by Tage Flint, seconded by Heather Jackson.

**CARRIED
(Unanimous)**

ITEM NO. 10 - CROSS CONNECTION CONTROL COMMISSION

Anne Hansen, of the Cross Connection Control Commission, submitted a letter of resignation due to conflicts and work load. Staff is supportive of Brian Pattee, of the Logan City Water Division, to fill in that vacancy.

Chairman Paul Hansen moved to approve Brian Pattee filling this vacancy, motion made by David Stevens, seconded by Russell Donoghue.

**CARRIED
(Unanimous)**

ITEM NO. 11 CHAIRMAN'S REPORT

Most items Chairman Paul Hansen was going to discuss will come up in the next items discussion, Chairman Paul Hansen deferred to Ken Bousfield.

ITEM NO. 12 DIRECTORS REPORT

- a) Senate bill 21: Board Member terms expire on April 30, 2013; on May 1, 2013 a new Board will be appointed by the Governor. The Board will go from 11 to 9 members. Discussion on criteria for representatives, an employee of the department designated by the Executive Director, one representative who is a Utah-Licensed Professional Engineer, two Elected Officials, a member from the Improvement District, a Water Conservancy District or a Metropolitan Water District, a representative from an entity that manages or operates a Public Water System, one from the State Water Research Community or from Institution of Higher Education that has comparable expertise in water research, one representative from the Public who represents a nongovernmental organization, one representative from the public who is trained and experienced in Public Health. Follow the page provided in the packet of instructions to re-apply. Ken Bousfield encourages the Board members to re-apply he believes all current members can find some criteria to fit. It would be appropriate to have that application completed towards the first part of April.

Comments from the Board: Will there be a cap on the number of terms a member can serve? It is at the discretion of the governor his preference is no more than a two year term.

- b) The meeting held in St. George will have a start time of 2 rather than 1. That meeting is in conjunction with the Rural Water Association holding their annual

Conference. The DDW will pay for registration at the conference for the Board Members, also for lodging, and for meals that are not included in the registration. Ken Bousfield asked the Board members to coordinate with Linda Matulich regarding their schedules while at the conference.

Comments from the Board: Typically, the St. George meeting is when the Board accepts nominations for Chairman and Vice Chairman, given the upcoming change of the Board's structure it is recommended the Board wait until the new Board members meet in May.

- c) Rural Water Association of Utah's Water Development Specialist Contract: we have seen a demonstration of the importance of this position earlier today with Ying-Ying and Clyde. Pursuing this we have to work with the division of finance, the DDW submitted a sole source request that Rural Water Association be contracted in this situation, there was a protest to that request, we are currently going through the required proposal process again which will close on the 24th of this month. The review committee on the applicants includes our current Chairman Paul Hansen as well as the Management staff within the DDW we will receive the applicants and make a determination. Ken Bousfield received a call from a consultant; this consultant was concerned that Rural Water Association was competing with consultants Ken then explained that the contract involved work with local government to not create small systems that will later become basket cases that will then come before the Board to be fixed. After Ken's explanation the consultant was happy and realized there was no conflict.

Comments by the Board: As of January 1, 2013, this program ended including funding, at this time we are funding Clyde's work internally we don't want to completely quit the work that is being done. Clyde has been asked to stop his travel under the contract there are a number of things that relate to the contract that Clyde can do at home or on the phone or computer. Probably will not see updates on the program in February, projected to have the program up and running maybe mid-February. There will be a diminishment of work during this period. Concerns were made that a time gap may cause problems and we may lose ground, is there a possibility we can continue this program? Ken Bousfield clarified we have to have the money which is being held up in finance right now. Michael Grange took it one step further, historically the contract has been an annual contract with the option to extend to another year; at the suggestion of the Finance Department we've now made it a 5 year contract. So what comes from this RFP will be a 5 year contract. There will be no yearly review but there is a provision that it is subject to Funding. We can review for performance as well that is part of the RFP. Michael hopes to have information back by the February Board Meeting, the Board encouraged they have someone on board by the February meeting rather than wait until the May meeting.

Ken Bousfield introduced two new staff, Tammy North she is in the Engineering Department we appreciate her bringing a lot of experience in Hydraulic Modeling which was a weakness within staff; we appreciate her efforts.

Misty Tabor will be doing minutes from here on in, she has a lot of skills in that area we appreciate her being a part of the team as well.

Chairman Paul Hansen welcomed both new staff members.

ITEM NO. 14 ADJOURN

Chairman Paul Hansen moved the meeting be adjourned, motion made by Heather Jackson, seconded by Russell Donoghue.

**CARRIED
(Unanimous)**

Misty Tabor
Recording Secretary